

BILL # SCR 1014

TITLE: lottery monies reallocation; raffles

SPONSOR: Harper

STATUS: As Introduced

REQUESTED BY: Senate

PREPARED BY: Brian Cary

FISCAL ANALYSIS

Description

The resolution would submit a ballot proposition to the voters to transfer all Lottery profits to the General Fund. The proposition would limit these funds to be used only for (a) K-12 education and (b) the construction, maintenance and renovation of roadways in the state.

The proposition would also limit the purchase price of a raffle chance to \$25.

Estimated Impact

The proposition would increase General Fund monies by \$50,617,800 and eliminate distributions to several other funds. The table below shows the estimated impact on these funds and the General Fund. It assumes that the ballot measure is passed in 2004, the next General Election, and that the amendments are effective beginning midway through FY 2005.

	FISCAL YEAR		
	2004	2005	2006
Revenues			
General Fund	\$0	\$25,308,900	\$50,617,800
Commerce and Economic Development Fund	\$0	\$(1,110,100)	\$(2,220,200)
Local Transportation Assistance Fund	\$0	\$(11,500,000)	\$(23,000,000)
Heritage Fund	\$0	\$(8,873,800)	\$(17,747,600)
Clean Air Fund	<u>\$0</u>	<u>\$(3,825,000)</u>	<u>\$(7,650,000)</u>
Total	\$0	\$0	\$0

The proposal to limit the price of raffle tickets to \$25 would have no fiscal impact on the state.

Analysis

The estimates tabulated above are based on the current JLBC Staff forecast of \$292,500,000 in total Lottery ticket sales in FY 2005. This sales forecast is also assumed for FY 2006. Actual ticket sales vary considerably by product. For example, the multi-state Powerball game sales volume depends significantly on the size of the jackpot prize offered, while sales of instant "scratch" tickets are relatively stable over time.

The distributions to the funds listed above are determined by a series of calculations proscribed by statute that earmark the proportions and sequence of distributions that go into each fund. Some funds have a maximum limit, while others receive a fixed percentage of ticket sales. Depending on the level of ticket sales for each product, some funds may not receive any distributions in a given year.

Local Government Impact

If the proposition were passed, future Lottery profit distributions to the County Assistance Fund, the Local Transportation Assistance Fund, and local mass transit purposes would be eliminated. In addition, grants to local governments from the Commerce Economic Development Fund, the Clean Air Fund, and the Heritage Fund would be eliminated.

2/18/04